

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2172-01  
Bill No.: HB 911  
Subject: Public Assistance; Federal - State Relations; Social Services Department  
Type: Original  
Date: April 8, 2013

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Bill Summary: This proposal changes the eligibility requirements for supplemental nutrition assistance as it relates to an ineligible immigrant.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Program savings and reduction in reimbursement net to \$0.

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services (DSS) - Family Support Division (FSD)** provide the following:

#### § 208.021.1(1) - All income and resources of ineligible person to be considered:

The division understands that subdivision (1) proposes that all income and financial resources of individuals ineligible due to immigration status prior to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) be included in determining eligibility and the value of the allotment for remaining eligible household members. This proposed legislation is Option 3 under federal guidance relative to 7 CFR 273.11 (c)(3).

There are currently 3,658 active Food Stamp cases in Missouri with an ineligible immigrant included in the household and not receiving benefits that would be impacted by this section.

Using this option in Missouri would result in:

- 1,039 case closings;
  - o 2,195 children would no longer receive Food Stamp benefits;
- 2,033 cases with a reduction in benefits;
  - o 5,460 children would receive reduced Food Stamp benefits;
- 586 cases would have no change in benefits; and
  - o 1,426 children would receive the same Food Stamp benefits.

#### § 208.021.1(2) - Pro-rata share of income and financial resources:

Subdivision (2) of subsection 1 appears to imply that the proposed legislation is applicable to the entire ineligible immigrant population in Missouri.

- This appears to be Option 1 under federal guidance and can be applied to immigrants made ineligible by PRWORA as well as those who were ineligible for benefits pre-PRWORA. This option allows states to pro-rate the income of individuals rendered ineligible due to the individual's immigrant status when determining eligibility and the value of the allotment of remaining household members. This is the current method used for determining eligibility and benefit amount for these households.
- Subdivision (2) requires resources to be pro-rated. This is in violation of federal requirements. 7 CFR 273.11(c)(3) requires resources to be counted under all options. Failure to follow federal guidance could result in federal penalties.

ASSUMPTION (continued)

DSS-FSD assumes the proposal will have an unknown fiscal impact on the General Revenue Fund for each FY 14, FY 15 and FY 16.

**Oversight** notes food stamps are paid 100% by the federal government. Therefore, the reduction in food stamp benefits paid to Missouri residents would have no fiscal impact on the General Revenue Fund.

**Oversight** assumes the potential for penalties to be speculative and, therefore, assumes no fiscal impact for DSS-FSD.

Officials from the **DSS - Division of Legal Services (DSL)** provide the following:

§ 208.021.1(1) - All income and resources of ineligible person to be considered:

Section 208.021.1(1) requires Family Support Division (FSD) to consider all the income and resources of an individual when determining the household's eligibility and Food Stamp benefits if: 1) that individual was ineligible for the Food Stamp program prior to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA); and 2) the individual remains ineligible due to his or her immigration status.

This will change how FSD currently determines Food Stamp eligibility in these cases. Federal Food Stamp regulations allow states to select various options to consider income and resources based upon an individual's immigration status. The option selected in Section 208.021.1(1) is permitted by 7 CFR Part 273.11(c)(3)(i).

FSD states there are currently 3,658 active Food Stamp cases in Missouri with an ineligible immigrant included in the household that would be impacted by proposed Section 208.021.1(1) if it were used without consideration of Section 208.021.1(2). Using this option in Missouri would result in:

- 1,039 case closings where
  - o 2,195 children would no longer receive Food Stamp benefits;
- 2,033 cases with a reduction in benefits where
  - o 5,460 children would receive reduced Food Stamp benefits; and
- 586 cases would have no change in benefits where
  - o 1,426 children would receive the same Food Stamp benefits.

The number of cases negatively affected totals 3,072 ( $1,039 + 2,033 = 3,072$ ). This would result in a potential of 307 additional administrative hearings, if it were assumed that ten percent of the

ASSUMPTION (continued)

3,072 cases requested hearings. The Division of Legal Services (DLS) Administrative Hearings Unit assumes that its hearing officers can hold approximately 900 hearings per year. The hearings should not require complex evidence or facts. DLS does not anticipate any additional hearing officers will be required by this legislation as the additional cases can be absorbed by existing staff. DLS will defer to FSD for an analysis of the possible fiscal impact to the Food Stamp program resulting from implementing Section 208.021.1(1).

§ 208.021.1(2) - Pro-rata share of income and financial resources:

Section 208.021.1(2), as written, creates conflict with the terms of proposed Section 208.021.1(1). Section 208.021.1(2) requires a "pro-rata share of income and financial resources of an individual rendered ineligible to participate" in the Food Stamp program "due to such individual's immigrant status shall be considered in determining the eligibility and the value of the allotment of the household of which such individual is a member as specified under the categories given to states in 7 CFR Part 273.11(c)(3)."

The methodology provided for in Section 208.021.1(2) is allowed in 7 CFR Part 273.11(c)(3), and it can be applied to immigrants made ineligible by PRWORA, as well as those who were ineligible for benefits pre-PRWORA. However, as Section 208.021.1(2) is written, it does not limit its application to the PRWORA immigrant population, and so it comes into conflict with the requirements of Section 208.021.1(1). Section 208.021.1(1) requires FSD to consider all the income and resources of an individual for the pre-PRWORA immigrant population, not just on a pro-rata share. Furthermore, 7 CFR Part 273.11(c)(3)(ii) does not allow the methodology in Section 208.021.1(1) to be applied to the PRWORA immigrant population. Therefore, it is not clear how to reconcile Section 208.021.1(2) with Section 208.021.1(1).

DLS cannot determine a fiscal impact for Section 208.021.1(2) due to this conflict. DLS will defer to FSD for an analysis of the possible fiscal impact to the Food Stamp program.

Officials from the **Office of Administration - Information Technology Services**  
**Division/Department of Social Services (OA - ITSD/DSS)** provide the following information:

Section 208.021:

Currently, illegal immigrant income and financial resources are prorated when determining benefits. This proposal requires all income and financial resources of an illegal immigrant be included in determining benefits.

ASSUMPTION (continued)

This change would require a code table change and running a mass adjustment program that already exists.

Activities	Estimated Hours
Code Table Changes	8
Run Mass Adjustment program	8
Testing	24
Total	40 hrs

Total Cost: 40hrs X \$63.04/hr = \$ 2,522 (rounded)

Match rates for the Family Assistance Management Information System (FAMIS) are 50% GR and 50% Federal.

**Oversight** assumes OA - ITSD/DSS can absorb the programming costs associated with this proposal as these administrative fees are reimbursed 50% by the federal government (\$1,261 General Revenue; \$1,261 Federal Funds).

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>FEDERAL FUNDS</b>			
<u>Savings</u> - DSS-FSD (§ 208.021)			
Reduction in food stamp program expenditures	Unknown	Unknown	Unknown
<u>Loss</u> - DSS-FSD (§ 208.021)			
Reduction in federal food stamp reimbursement	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2014  
(10 Mo.)

FY 2015

FY 2016

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal requires the income and financial resources of an individual who was determined to be ineligible and remains ineligible for food stamps prior to the federal Personal Responsibility and Work Opportunity Act of 1996 due to the individual's immigration status to be considered in determining the eligibility and the value of the allotment of the household of which he or she is a member and a pro rata share of the income and financial resources of an individual determined to be ineligible for food stamps due to the individual's immigration status must be considered in determining the eligibility and value of the allotment of the household of which he or she is a member.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration -

Information Technology Services Division/Department of Social Services

Department of Social Services -

Family Support Division

Division of Legal Services



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Acting Director

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